

looking ahead

... A monthly report by the National Planning Association on forward-looking policy planning and research—announced, underway, and completed—of importance to the nation's future

In This Issue—

LOOKING AHEAD IN
ECONOMIC EDUCATION

LONG-RANGE PLANNING
FOR MANAGEMENT

GROWTH IN INTERNATIONAL
EDUCATIONAL EXCHANGE

WORLD ILLITERACY
AT MID-CENTURY

the people of NPA

Vol. 6, No. 6

September 1958

Joint Council on Economic Education

Looking Ahead in Economic Education

by Edwin G. Nourse

A member of NPA's National Council and vice chairman of the Joint Council on Economic Education, Dr. Nourse is former chairman of the President's Council of Economic Advisers, and former president of the American Economic Association.

IT IS NOT strange that the launching of Sputnik and other developments in the technological race between Soviet imperialism and the free world should have caused a great upsurge of interest and activity in the training of college and secondary school students in natural science. But the race between economic authoritarianism and free enterprise under free government poses a challenge for our educational system that is just as sharp. It little behooves us to rest on our laurels and take it for granted that our economic system is well enough constructed, well enough understood, and well enough operated so that we can win in the economic race with Russia or achieve the Good Society fast enough and completely enough to satisfy the yearnings of our own citizens.

ECONOMIC EDUCATION has by no means been neglected in these United States. From modest beginnings in the latter part of the 19th century, it has been pushing forward on many fronts during the 20th century. Five broad areas may be distinguished: (1) the work of our colleges and research institutes speaks for itself; (2) at an increasing rate, business corporations and their associations have been exploring problems of management, finance, marketing, and public policy, both educating and propagandizing their own members and employees and the public; (3) labor unions, as they grew in size and sophistication, followed an almost parallel course of internal ration-

Excellence and Education

• "... excellence is where you find it. I would extend this generalization to not just higher education, but to all education, from the vocational high schools to the graduate schools. There may be excellence or shoddiness in every line of human endeavor. We must learn to honor excellence (indeed, to demand it), in every socially accepted human activity, however humble the activity, and to scorn shoddiness, however exalted the activity. There may be excellent plumbers and incompetent plumbers, excellent philosophers and incompetent philosophers. An excellent plumber is infinitely more admirable than an incompetent philosopher. The society which scorns excellence in plumbing because plumbing is a humble activity and tolerates shoddiness in philosophy because it is an exalted activity, will have neither good plumbing nor good philosophy. Neither its pipes nor its theories will hold water."

From an address by Dr. Robert W. Van Houten, President, Newark College of Engineering, delivered before the S.A.M.E. A.S.M.E. Management Engineering Conference, New York, April 24-25, 1958.



alization and external persuasion; (4) government agencies—legislative, administrative, and regulatory—have come to conduct an enormous apparatus of research, publication, and public debate on matters economic; and finally (5) the press and radio afford a constant and ubiquitous public forum for the airing of economic views of all shades and descriptions.

In a word, we are a studious and articulate people in the whole sphere of economic processes and relations. This is the culture in which our young people grow up and from which we expect them to get understanding and attitudes that will enable them to carry on the system and leave it better than they find it.

Toward that end, a unique challenge and opportunity is presented by our secondary schools. Three fourths of our young people do not go beyond this level of formal education. And yet from their ranks will be drawn business proprietors, corporation and union officials, an enormous cadre of minor bosses and local leaders, and the rank and file of workers, spenders, and citizens who determine the level of actual economic performance decade to decade. Thus the question of economic education at the secondary level becomes one of paramount importance.

THIS FACT was borne in upon a group of educators at New York University a decade ago. They were impressed with the fact that the high schools were not doing this job adequately and that to make the necessary improvement professional educators must make working alignments with professional economists. Together they might work out both the *what* and the *why* of economic teaching of adolescent boys and girls within the secondary school curriculum. With initial sponsorship by the Committee for Economic Development, this conviction was translated into action through the formulation in 1948 of the Joint Council on Economic Education. A keystone of the Joint Council structure is a board of trustees composed of 50 outstanding representatives of the various economic interests—business, labor, agriculture, and government, and of the several levels of education. Since that time its support has been substantially increased by grants from the Ford Foundation, the Sloan Foundation, and others.

But the actual scope of the Joint Council's support is much broader than this. For it is not merely a joint undertaking between educators and economists. In a broader sense, it is a joint undertaking between the local school systems and their communities. There are 32 autonomous regional or state Joint Councils in different parts

of the Union as well as Hawaii and Puerto Rico. They are backed by both the moral and the financial support of city school systems and state departments of education. Many of them maintain year-round programs for incorporating economics in a realistic and effective way into secondary school curricula. This is something quite different than inserting a formal course in economic principles as an elective in the senior year.

The work of the Joint Council on Economic Education during its early years was limited to a series of summer workshops, three weeks in duration, for groups of about fifty teachers selected by local school authorities on the basis of their interest in the problem and willingness to make some sacrifice of time and money to fit themselves better to deal with it. Each workshop has a college or university as its host and both local professors and visiting specialists as its staff. A substantial part of the program, however, consists of guest speakers from business, labor organizations, government agencies, and farm organizations. The general purpose is to get economics "on the hoof" for inspection of the teacher group and for re-examination by them under the guidance of objective teachers. Thus they learn to value evidence, detect bias, reason competently, and formulate conclusions of their own.

It has been recognized from the start that even three weeks of intensive work and intimate living together even by proven classroom teachers is all too short a time to enable them to deal with the economics problems that come up in history classes, social studies, or even more remote courses. But it is an eye opener as to methods of approach and as to sources of material for continuing study and self-improvement. The follow-through work in a given school or city or state-wide system already referred to greatly multiplies its value.

SUMMER WORKSHOPS under the auspices of the Joint Council now number more than forty each year, but it is recognized that they are in the nature of "first aid" to men and women whose teacher training was inadequate as to economic subject-matter and method. A second phase of the Joint Council work has been to explore just how much and what kind of economics work should be included: (a) in the training of all teachers, and (b) in the training of those who expect to specialize in social science fields in secondary schools.

More than 150 institutions of higher learning have been represented in a series of national,

state, and regional conferences held during the last three years to wrestle with this problem. In many of these institutions, professors of economics and professors of education are working together to devise courses more suitable for elementary and secondary school teachers, and to prepare subject-matter and curriculum material tailored to the special needs of these courses. Gradually a group of some 65 teacher-training institutions—either liberal arts colleges or schools of education in universities—have enrolled as active cooperators in this program, introducing new economics courses or revamping old ones in the light of the new insights being gained through the summer conferences and individual explorations.

This has resulted not only in gaining a larger place for economics in the curriculum of teacher-training institutions but also in the incorporation of projects which involve economics into methods courses, and into practice teaching. All in all, it would seem that this phase of the Joint Council's work should have a pyramiding influence in the years ahead.

THE PAST summer marked still another development in the work of economic education at the secondary school level. In step with the times, an experiment was initiated toward integrating economics with natural science in the high school. The National Science Teacher Association joined with the National Council for the Social Studies and the Joint Council on Economic Education in sponsoring a Science-Economic Workshop under the title "Impact of Contemporary Scientific and Technological Developments Upon Our Economy." Thirty-two teams consisting of a science teacher and an economics or social studies teacher from the same school or nearby schools in the same city were enrolled. They were selected not only for competence in their respective fields, but for an interest in the possibilities of synthesizing teaching in both fields into a sounder understanding of the importance of science and technology for the economy, and of the importance of economic considerations in developing and applying science to the betterment of human life.

Specialists of national or international reputation dealt with such topics as "New Scientific Developments in the Area of Energy," "Science and Health," "Automation," "Economic Freedom," "Economic Growth," "Scientific Developments in the Realm of Space," "The Food Problem—Scientific and Economic," and "Economic Security." There were economic and scientific consultants in a staff that gave continuity to the

work, but a large amount of the time was given to spirited deliberations by members of the respective teams falling into groups of their own choosing.

IT SEEMS appropriate to write of these developments in a publication of the National Planning Association and under a department entitled "Looking Ahead." This truly is planning for progress in education and marks emancipation from settled patterns of the past in the determination to keep scientific education and economic training in step with each other and with the tempo of the age in which we live.

Industrialization and Productivity

a new magazine

A new United Nations publication, dealing with the more specific problems of industrialization in underdeveloped countries and areas, was launched recently. *Bulletin on Industrialization and Productivity* concentrates on the problems which lie between over-all economic programs and the concrete problems of a given industrial plant—the area where plans for industrialization frequently founder. It will draw heavily on technical assistance experience and encourage an exchange of information on this topic.

Three articles in the first issue are devoted to an examination of the relative quantities in which capital and labor resources should be combined in order to use them to best advantage. The first article, based on reports by United Nations Technical Assistance Administration experts, gives a general picture of the problem as it arises in specific instances. In the second article, Professor Jan Tinbergen develops one of the conclusions of the first article—the need for research on choice of technology for industrial planning. The third article, prepared by the United Nations Bureau of Economic Affairs, is a case study of capital intensity in certain operations of heavy engineering construction.

Also included in the first issue are articles on financing techniques for industrialization and the use of accounting as an aid to management in underdeveloped countries.

The issue provides a list of relevant U.N. activities in the field of industrialization and productivity and a bibliography of titles on industrialization.

(*Industrialization and Productivity*, Bulletin 1, United Nations, New York: April, 1958, 70¢ an issue.)

Case Studies

Factors Increasing Productivity

The increased productivity secured by application of simplification, standardization, or specialization measures in five British companies and four European industries is examined in a series of case studies presented in a recent booklet published by the OEEC. The methods applied by these companies and industries were either the introduction of a standard and reduced range of materials, components and products, or various techniques for variety control.

The five British companies studied at plant level were producers of light electrical equipment for automobiles, sugar confectionery, light electrical equipment for domestic and industrial uses, engineering and electrical products, and railway equipment.

The four European industries studied were the glass bottle industry in Austria, the furniture industry in Austria (beds and mattresses), shoe packaging in Norway, and the bicycle industry in Sweden.

It is pointed out that "though businessmen often think that their own industry or enterprise has such special characteristics that the lessons drawn from other fields are not applicable. . . . Upon closer analysis it will normally appear that the nature of the problems involved and the methods by which they may be solved, to a considerable extent, are the same, irrespective of the type of business."

(*Case Studies on Variety Reduction*, Organisation for European Economic Co-operation, Paris: April 1958, 120 pp., \$1.25.)

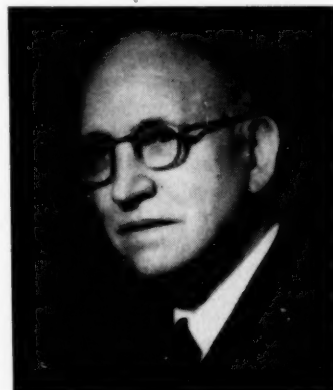
Work Study Terms Translated In Three-Language Glossary

A glossary of 700 work study terms in English, French, and German has recently been published for the European Productivity Agency by the Organisation for European Economic Co-operation. The glossary gives translations of commonly-used work study terms from one language to another, enabling a work study engineer with a reading knowledge of a foreign language to understand technical work study texts.

The glossary lists specific work study terms and some from the allied field of wage payment, plus general terms in production planning, cost accounting, and job evaluation frequently appearing in work study texts.

(*Glossary of Work Study Terms*, O.E.E.C., 1346 Connecticut Ave., N. W., Washington 6, D. C.: March 1958, 128 pp., \$1.50.)

—The People of NPA—



John
D.
Black

Noted economist and writer on agricultural production, land economics and national agricultural policies, John D. Black, has been a longtime member of NPA's Agriculture Committee, and received the NPA 1951 Certificate of Extraordinary Achievement.

In awarding the Certificate, NPA Chairman Sonne paid tribute to "a senior statesman in agriculture whose contributions in farm economics and nutrition fields are well known and appreciated all over the world. . . ."

Dr. Black received B.A., M.A., and Ph.D. degrees from the University of Wisconsin and has pursued a career as college professor and economic consultant. He is currently the Henry Lee professor emeritus of economics at Harvard.

He served in 1956 as consulting economist for the Canadian Pacific Railway Co., the government of Puerto Rico, the Forest Service, and FAO and ECLA in Argentina, and earlier, for FOA, TVA, War Food Administration, and the Dept. of Agriculture's Bureau of Agricultural Economics. In 1932, he was chief economist for the Federal Farm Board, and from 1930-33, chairman of the Social Research Council's Advisory Committee on Agriculture.

He has been a member of NPA's Committee of New England, the Dept. of Agriculture's Research and Policy Committee and Mobilization Board, the National Research Council's Food and Nutrition Board, and the FOA Advisory Committee on Economics and Marketing. He is author of an imposing list of books, including the NPA study, *A Balanced United States Agriculture in 1965*. His professional affiliations include the American Economic Assoc. (pres., 1945), the American Population Assoc., and the American Farm Economic Assoc. (pres., 1936).

"Without planning . . . It is as though an airplane pilot set out over the ocean blindfolded."

Long-Range Planning For Management

LAST SPRING a group of management representatives held an informal meeting at NPA to explore ways of cooperating in the various planning activities being carried on by business firms. At about the same time, a book on management planning, edited by David W. Ewing, Assistant Editor of the *Harvard Business Review*, presented a compilation of recent articles appearing in various journals and sections of other books. The book has been organized into the following sections: Nature and Principles; Organization; Steps in Making a Plan; Special Problems; Limitations; Strategy. Mr. Ewing points out that "in a literary sense, the subject (long-range planning for business) has just begun to bloom."

The various contributors to the book include businessmen and professors of business administration. NPA trustee Robert C. Tait, President of the Stromberg-Carlson Company, Division of General Dynamics Corporation, is one of the authors.

Mr. Ewing points out that "Long-range planning is an unusual task involving executives in jobs they never used to do. Instead of looking at the company and its market and saying, 'Let's do the best we can,' they now ask, 'What is the best we can do? How shall we do it? When?'"

"Long-range planning will come to mean many things to many people. Some will find it visionary and impractical. Some who latch on to it will find they have a 'bear by the tail.' Others will make a fad out of it. But it should become for most companies—and for the economy—one of the really significant business developments of the century."

The various authors share an enthusiasm for planning:

- "Planning is one of the functions of the manager and, as such, involves the selection, from among alternatives, of enterprise objectives, policies, procedures, and programs. It is thus decision-making affecting the future course of an enterprise.

"It is sometimes said that planning is the primary managerial function which logically precedes all other functions, since, without planning, a manager would not have activities to organize, would not require a staff, would have

no one to direct, and would have no need to control. However, the managerial job is actually one in which all the managerial functions take place simultaneously rather than serially. . . .

"Without planning, business becomes random in nature and decisions meaningless *ad hoc* choices. It is as though an airplane pilot set out over the ocean blindfolded. Because business operates in an environment of uncertainty and change and requires the attainment of goals at the least possible costs, planning becomes a highly important function." (Harold Koontz and Cyril O'Donnell)

- "The maxim 'managing means looking ahead' gives some idea of the importance attached to planning in the business world, and it is true that if foresight is not the whole of management, at least it is an essential part of it. To foresee, in this context, means both to assess the future and make provision for it; that is, foreseeing is itself action already." (Henri Fayol)

- "Long-range planning is the one really new technique left to management that can give a company a major competitive advantage. Looking back, we have seen how industrial engineering, market research, control, and other techniques have given progressive companies an important edge over competitors. Looking ahead, I see long-range planning as another concept that will spell the difference between success and mediocrity in business." (Bruce Payne)

Reference is made also to economic projections:

- "... any long-range planning for industry must be conceived against a background of the general economy, and we are now in better position than ever to evaluate the probable course of the general economy." (Robert C. Tait)

This is an area in which the National Planning Association has particular interest as readers of *LOOKING AHEAD* know (refer: *The Use of Projections in Business Planning, LOOKING AHEAD*, January 1958). The current research on economic projections now being conducted by NPA is aimed at perfecting techniques so that the long-range planners will have additional tools and building blocks for their use.

(*Long-Range Planning for Management*, Harper & Brothers, New York: 1958, 489 pp., \$6.50.)

Growth in International Educational Exchange

AN APPRAISAL of the growth of international educational exchange programs is presented in the latest study by the Institute of International Education, *Open Doors 1958*.

The 52,355 foreign citizens on educational assignments in the United States during the academic year 1957-1958 represent more than a 7 percent increase over 1956-1957, the study reports. Of these, 43,391 were students, 1,342 were lecturers, professors or researchers who had received appointments to American faculties, and 7,622 were interns and residents at U. S. hospitals.

The student exchanges represent every major geographical and political area of the world. The largest group (33 percent) came from the Far East and the second largest group (20.9 percent) from Latin America, followed by European, Near and Middle Eastern, and Canadian citizens in that order.

Engineering led the field of study with 10,111 students. Humanities, social sciences, physical, and natural sciences followed.

Institutions in California and New York claimed over one quarter of the students, with the remainder distributed

through the other states, the District of Columbia, Alaska, Hawaii, and Puerto Rico.

Fewer foreign students were reported self-supporting this year. Only 42.2 percent were studying on their own or their family's funds in contrast to 45.2 percent last year. A substantially larger group was aided by private organizations and the U. S. Government.

Of special interest to business corporations is the survey of students' employment plans. Over 35 percent of the students interviewed expressed interest in employment with the overseas branch of a U. S. business firm. Approximately one third of these were from the Far East. Europeans comprised the next largest group.

Almost half the total number of engineering students were interested in this employment, one third of the social science students, and slightly less than half the business administration students.

The recent study also reports on: foreign physicians training in U. S. hospitals; visiting foreign scholars on faculties of U. S. educational institutions; U. S. faculty members abroad; and U. S. students abroad in 1956-1957.

The Institute of International Education Board of Trustees includes former NPA trustees Gilbert W. Chapman and James D. Zellerbach (U. S. Ambassador to Italy).

(*Open Doors 1958*, Institute of International Education, New York: 1958, 47 pp., \$1.00.)

Factors in Canadian Economic Stability

The mid-year report of the Canadian Department of Trade and Commerce surveys factors contributing to the Canadian economy's stability during the 1957-58 recession period.

As this table from the report indicates, the decline in capital expenditures by business was for the most part offset by increased public spending in the areas of housing, institutional services (churches, universities, schools, hospitals, and others), and government departments and waterworks.

Sector	Capital Expenditures		
	1957	1958 Revised	1957 to 1958 Revised
\$ million			
Business Capital (excluding Housing):			percent change
Forest and mineral products	1,077	624	-42.1
Fuel and power	1,634	1,480	- 9.4
Trade, finance and commercial services	719	695	- 3.3
Transportation, storage and communication	992	1,020	+ 2.8
Other	1,236	1,114	- 9.9
Sub-total	5,658	4,933	-12.8
Housing and Social Capital:			
Housing	1,415	1,768	+24.9
Institutional services	444	504	+13.5
Government departments and waterworks	1,204	1,320	+ 9.6
Sub-total	3,063	3,592	+17.3
Total capital expenditures	8,721	8,525	- 2.2

(*Private and Public Investment in Canada—Outlook 1958*, Department of Trade and Commerce, Queen's Printer, Ottawa: 1958, 8 pp.)

World Illiteracy at Mid-Century

THE STRANGE phenomenon of illiterate population increasing in numbers . . . while the illiteracy rate goes down is examined in a recent series of articles in the *UNESCO Courier*. The articles also present a breakdown of the illiterate population by age, sex, geography, and national income and current and historic surveys of literacy campaigns.

Population growth accounts for statistical peculiarities in an assessment of illiteracy. In 1929 the U.S. Bureau of Educational Study estimated that there were 850 million illiterates over 10 years of age in the world, a total of 62 percent of the world's population. A similar study in 1950 estimated the number of illiterates at 800 to 840 million, or 43 to 45 percent of the population. This is a slight decrease in the "absolute size" but a more noticeable decrease in percent. Though we are decreasing the percent of our world illiterates, population increase is causing the "absolute size" of this group to remain the same, and some countries with large population pressures have had increasing "absolute" illiteracy populations. Brazil is an example of these pressures at work—in 1940, 56.1 percent or 13.3 million Brazilians were illiterate. In 1950 this number had risen to 15.3 million, but the percent of illiterates had declined to 50.6 percent.

WITHIN MANY COUNTRIES statistics on age, sex, and ethnic groups indicate higher illiteracy rates among the older age groups and women. The recent introduction of universal primary education accounts for the first difference, and the less active role of women in the life of many countries accounts for the second. Differential rates among the various ethnic groups may be seen in examples such as the United States, where the illiteracy rates for the white and non-white populations were 1.8 percent and 10.2 percent, respectively (1952), and the Union of South Africa where the African population was 72 percent illiterate whereas the white population had less than 2 percent illiteracy (1946).

Rural populations almost invariably exhibit higher illiteracy rates as compared with the urban populations of the same country. For example, in El Salvador, with a total illiteracy rate

of 61 percent, the rates for the urban and rural populations were 35 percent and 77 percent, respectively (1950). In Panama, the rural population had an illiteracy rate of 43 percent as compared with 7 percent in the urban areas (1950). Examples of the generally higher illiteracy rate of the female population are found in Malaya, where the illiteracy rate for males is 43 percent compared with 84 percent for females.

SURVEYS OF national literacy campaigns include a report by Serafima Liubimova on the progress of the Russian campaign, begun in 1920 when an Emergency Commission for the Abolition of Illiteracy was set up (now the Ministry of Education). Miss Liubimova reports that by 1939, 95.1 percent of the men and 83.4 percent of the women in the Soviet Union were literate.

A more recent literacy campaign was begun in Morocco in 1956, organized by the Moroccan League for Fundamental Education and Literacy Work. A literacy hand book printed by this organization was so successful that two extra editions had to be printed. When adult schools were opened the 350,000 enrollment exceeded expectation, and nearly 10,000 teachers had to be recruited. Simplification of the Arabic alphabet for printing purposes has helped bring newspapers and books within the range of thousands of newly-literate men and women.

A UNESCO program which seeks to stimulate the production of reading materials for the new-literate adults in South Asia was initiated in 1955. Under this program, research studies have been made, authors and editors have been awarded training and study fellowships, and regional meetings of book production specialists have been held. Mr. J. E. Morpurgo, Director of the National Book League, Great Britain, and a participant in a recent production specialist workshop, states that the new literates must not be allowed to "relapse into functional illiteracy," and feels that they will do so if not given the chance to practice their newly acquired skill.

(*The UNESCO Courier*, UNESCO Publications Center, New York: March 1958, \$.30 per single issue, \$3.00 per year.)

Defense Against Inflation

Emphasizing that long-range inflation constitutes a "cruel tax" on people who live on fixed incomes, the Committee for Economic Development's research and policy committee recommends combative action along three basic lines in its recent report, *Defense Against Inflation*.

Recommendations for an interrelated program which will increase national productivity, keep demand from rising faster than production, and assure adherence to policies that keep prices and unit labor costs from rising, on the average, when the other proposals are in effect, follow the committee's discussion of the causes and costs of inflation.

In addition to the Committee's statement, there are two appendices compiled by the CED Research Staff covering alternative price indexes for measuring inflation, which survey four general price indexes, and chart presentations of the major price and labor cost developments in the past decade.

(*Defense Against Inflation*, Committee for Economic Development, New York: July, 1958, 96 pp. \$1.00.)

NPA REPORTS, in addition to LOOKING AHEAD, are sent automatically to members of the Association. For information on membership, available publications and reports, write NPA Membership Department. LOOKING AHEAD is published 10 times a year. Permission is granted to quote from or reprint specific articles, unless otherwise stipulated, provided credit is given to LOOKING AHEAD and the National Planning Association.

NPA PUBLICATION STAFF

Editor of Publications: Eugene H. Bland
Editorial Consultant: Virginia D. Parker
Associate Editor: Berman Chang
Assistant Editor: Priscilla Davis
Assistant Editor: Barbara Charlton

NPA OFFICERS: Chairman, H. Christian Sonne; Chairman, Executive Committee, Wayne Chatfield Taylor; Vice Chairmen: M. H. Hedges, Frank Altschul, Clinton S. Golden, Beardsley Ruml, Lauren K. Soth; Secretary, Arnold S. Zander; Treasurer, Charles J. Symington; Counsel, Myron M. Cowen; Assistant Chairman and Executive Secretary, John Miller.

looking
ahead

Non Profit Org.
U. S. POSTAGE

Paid

Washington, D. C.
Permit No. 1819

NATIONAL PLANNING ASSOCIATION

1606 New Hampshire Ave., N.W., Washington 9, D. C.
Telephone: Columbia 5-7685 Cable: NATPLAN

Vol. 6, No. 6



September 1958

Form 3547 Requested



A NONPROFIT, NONPOLITICAL ORGANIZATION, ESTABLISHED IN 1934, DEVOTED TO PLANNING BY AMERICANS IN AGRICULTURE, BUSINESS, LABOR, AND THE PROFESSIONS

